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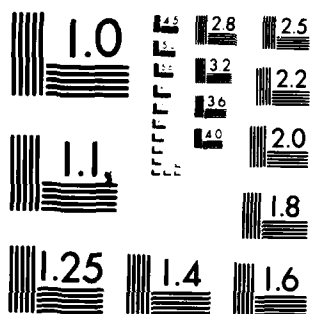
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RECREATION RESEARCH PROGRAM

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US Army Corps  
of Engineers

PERCEPTIONS OF THE CORPS OF ENGINEERS'  
RECREATION CONCESSION PROGRAM

by

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Environmental Laboratory

U. S. Army Engineer Waterways Experiment Station  
P. O. Box 631, Vicksburg, Miss. 39180



August 1983

Final Report

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19. KEY WORDS (Continue on reverse side if necessary and identify by block number)  Lakes                                      Reservoirs Recreation                                Water resources development Recreational facilities		
20. ABSTRACT (Continue on reverse side if necessary and identify by block number) This report summarizes user perceptions, and concerns expressed by concession managers and Corps personnel for improving the Corps of Engineers' recreation concession program. The findings of a user survey confirm that most users are highly satisfied with the quality and availability of services and facilities provided at Corps concessions. Recommendations on additional facilities that should be provided to meet user needs are identified. A  (Continued)		

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distinction is made between facilities and services traditionally provided by concessions and those provided by the Corps. Basically, users would be pleased with more of the same types of services and facilities being provided.

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## PREFACE

This report presents some further analysis of the data and results contained in "An Evaluation of the Corps of Engineers' Concession Program for Water Resources Development Projects" prepared by Midwest Research Institute (MRI), Kansas City, Mo. The MRI study was conducted under contract to the U.S. Army Engineer Waterways Experiment Station (WES), Vicksburg, Miss. (Contract No. DACW39-29-C-0068). Mr. Raymond M. Mischon, Manager, Leisure/Recreation Programs at MRI, was Project Leader.

The author of the analysis contained herein was Dr. Walter H. Bumgardner, Department of Recreation, University of Southern Mississippi, Hattiesburg, Miss. Dr. Bumgardner's work first focuses on the concession users' evaluation of the program and their perceptions of ways in which the quality and adequacy of the program could be improved. The second major portion of the work presents the perceptions of Corps personnel and concession managers for improving the program.

Dr. Bumgardner is on an Intergovernmental Personnel Assignment with WES.

During conduct of this study, Mr. Larry R. Lawrence, Environmental Laboratory (EL), WES, was Project Monitor. The study was supervised by Mr. William J. Hansen, Chief, Resources Analysis Group, and Dr. Conrad J. Kirby, Chief, Environmental Resources Division, EL. Dr. Adolph Anderson (EL) was Manager of the Recreation Research Program. Dr. John Harrison was Chief, EL.

Commander and Director of WES during preparation of this report was COL Tilford C. Creel, CE. Technical Director was Mr. F. R. Brown.

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CONVERSION FACTORS, U. S. CUSTOMARY TO METRIC (SI)  
UNITS OF MEASUREMENT

U. S. customary units of measurement used in this report can be converted to metric (SI) units as follows:

<u>Multiply</u>	<u>By</u>	<u>To Obtain</u>
feet	0.3048	metres
miles (U. S. statute)	1.609347	kilometres

## CONCLUSIONS AND RECOMMENDATIONS

The primary objective of the research effort reported herein was to determine, through a visitor perception survey, the level and nature of user satisfaction with services and facilities provided by concessioners and the Corps of Engineers. In addition, the Corps' concession program was reviewed to identify possible improvements for making the program more responsive to user needs and desires. The major conclusions and recommendations of the study are summarized below.

### Conclusions

- This study has confirmed that the overwhelming majority of Corps concession users are highly satisfied with the adequacy (90.77 percent) and quality (94.40 percent) of services and facilities provided at Corps projects.

- Satisfaction with the personnel (32.3 percent)\* working at concessions was the factor most frequently accounting for positive user attitudes relative to the quality of services and facilities. This was followed by available goods/services (15.8 percent), facility maintenance (14.2 percent), management (9.4 percent), and convenience and accessibility of facilities (7.2 percent).

- Although minor in contrast to the high level of satisfaction, there was some dissatisfaction with services and facilities. The most commonly expressed dissatisfaction pertained to facility maintenance (17.2 percent), followed by insufficient facilities (13.4 percent), personnel (10.7 percent), management (9.7 percent), prices (9.6 percent), and security (7.5 percent).

- Specific facilities that were most often perceived by concession users as being inadequate to meet their needs included boat docks,

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\* Percentages represent grouped and aggregated responses; excellent and good responses were considered positive, bad and very bad were grouped as negative.

camping areas, rest rooms, hot showers, and pump-out stations for waste removal.

- There were no significant differences in the socioeconomic and demographic characteristics of users who perceived the quality and/or adequacy of services and facilities to be satisfactory, compared to users who perceived them to be unsatisfactory.

- Of the facilities/services commonly provided by concessioners, those most often perceived as being additionally needed by the users included restaurants, grocery/convenience stores, and swimming pools.

- Of the facilities/services commonly provided by the Corps, those most often perceived as being additionally needed by the users included policing and maintaining lakes, improving lake markers, and more general development.

- Overall, the concession users did not perceive a need for additional types of facilities/services. Instead, the need appears to be fundamentally for more of the same basic facilities and services normally provided by concessioners and the Corps.

- Considering all of the variables by which users were asked to evaluate individual concessions, there was no particular variable that correlated with, or characterized, concessions receiving the highest or lowest general ratings. There was, in effect, a combination of facility/service variables contributing to individual concession ratings that could not be explained by any particular underlying factors or circumstances.

- Likewise, this study did not reveal any specific reasons for facility and service inadequacies at some Corps concessions. There appear to be a multitude of circumstances and factors inherent in the Corps' concession program that serve as either existing or potential limitations to the program's long-range effectiveness.

- Interviews conducted with private concessioners and Corps management personnel revealed six areas that need addressing during attempts to improve the concession program:

- a. Planning
- b. Feasibility studies
- c. Advertising and selection
- d. Concession records keeping
- e. Compliance program
- f. Operational and developmental flexibility

● A basic problem with planning is the apparent lack of clarity or understanding about the responsibilities of the Corps and its concessioners for providing basic recreation and support facilities.

● Feasibility studies do not seem to be as useful in the planning, development, and operation of concessions as they should. There is a need for more guidance on the specific purpose and intent of feasibility studies, the type of material and analysis that should be included, and the ultimate uses and limitations of the information contained.

● The Corps' advertising and selection process for acquiring concessioners is well organized and administered. However, it is not conducted with a sufficiently high level of importance and priority to attract optimally qualified personnel to become Corps concessioners.

● Concession records keeping is one of the particularly weak points of the concession program that could cause concessioners to be less responsive in providing services and facilities. The lack of relevant financial information and analyses makes it difficult to determine such things as return on investment, optimal size scale, and mix of services and facilities.

● The Corps' concession compliance program causes a considerable amount of confusion and concern. Lack of guidelines and lack of ability to enforce the program are main concerns among Corps personnel. Uncertainty about its intent and validity as presently being administered are concessioner concerns.

● Concessioners feel that they are not allowed the operational and developmental flexibility by the Corps that is needed to be more responsive to varying market conditions.

### Recommendations

● Basically, the Corps should continue providing the same types of facilities and services through its concession program that are currently provided. Future planning and development efforts to correct local deficiencies should start with verification of the user needs identified in this study rather than an exploration of a wide variety of new market potentials.

● Improved maintenance of areas and facilities should be given top priority in the Corps' program of user responsiveness. Particular attention should be directed toward keeping facilities clean and sanitary.

● A system for the constant monitoring of user perceptions on the adequacy of concession facilities and services should be implemented by the Corps. A simplified evaluation/recommendations format similar to that used by several of the major hotel chains would be adequate.

● The Corps should clarify and revise, where necessary, its policies on Corps and concessioner responsibilities for the provision of services and facilities. More consistency should be followed in basic site development prior to advertising concession sites.

● In future Corps project development, there should be closer coordination between the processes of master plan development and concession feasibility analysis. More consideration should be given to concession location factors such as access, complementary services, and other market-related variables.

● It also appears desirable for Corps planners to limit themselves to using feasibility analyses to assess overall concession needs at projects instead of also attempting to determine the feasibility of each individual concession. This is the type of information that would normally be required for input into the master plan. Potential concessioners could then be required to conduct a detailed feasibility analysis in support of the actual Corps concession plan. This modification would gain the necessary input from the private sector on economic

analysis. As it now stands, the Corps determines what is feasible, not the concessioner.

- The Corps' approach to developing feasibility studies for concession developments should be standardized.

- The Districts should clearly outline the responsibilities of concessioners, the Corps, and the approval process necessary to amend developmental plans.

- The Corps should undertake a proactive marketing campaign for the leasing of Corps concession sites.

- A key improvement in the advertising and bid procedure would be to provide more flexibility and to allow creativity in concession proposals.

- As a minimum, the following records should be maintained on each concession: balance sheet, profit and loss statement, monthly revenue statement, annual capital improvements report, and a facility and services record.

- As a supplement to these required reports, appropriate indicators such as financial ratios should be used in interpreting and effectively utilizing the data for planning and management purposes.

- The Corps concession compliance program should be strengthened and improved in the following ways:

- a. Establish goals for the program (what it should accomplish).
- b. Evaluate how compliance should vary to meet overall concession program needs.
- c. Develop appropriately documented guidelines for Corps and concession personnel.
- d. Ensure that the appropriate authority and mechanisms are provided for personnel responsible for carrying out the program.

- An interactive program should be developed between Corps personnel and concessioners that will foster improved working relationships. Such a program should entail periodic workshops, training sessions, and better information dissemination.

PERCEPTIONS OF THE CORPS OF ENGINEERS'  
RECREATION CONCESSION PROGRAM

PART I: INTRODUCTION

Background

1. The U.S. Army Corps of Engineers, which presently (1981) administers 442 projects containing 3824 recreation areas, is one of the largest suppliers of water-oriented recreational opportunities of any Federal agency in the United States. Approximately two thirds of the Corps' lakes are located within a 50-mile\* radius of standard metropolitan statistical areas. America's increasing desire to participate in water-oriented outdoor recreation and the need to reduce gasoline consumption have made Corps lakes particularly popular travel destinations. As a result, recreational use of Corps lakes has grown tremendously. In 1953, 44 million recreation days of use occurred at Corps lakes. By 1977, this figure had jumped to 424 million. Just 4 years later, use had increased by over 10 percent to 469 million recreation days.

Concession Program

2. To accommodate the public's desire for water-related recreation, the Corps provides a variety of recreational facilities such as boat docks, marinas, convenience stores, snack bars, camps, motels, cabins, restaurants, resorts, golf courses, and boat rentals through its concession program. Over half of the concessions are located directly on land managed by the Corps and the remainder are under the control of other Federal agencies, and State and local government entities.

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\* A table of factors for converting U. S. customary units of measurement to metric (SI) units is presented on page 3.

3. User statistics revealing the public's consumption of recreational activities at Corps concessions would suggest that the concession program has been undeniably successful. However, such indicators tell nothing about success in terms of user satisfaction. Therefore, the main objective of this study was to determine, through a visitor perception survey, the level and nature of user satisfaction with services and facilities provided by concessioners and the Corps of Engineers. Subobjectives of the study were:

- a. Identify existing obstacles to being more responsive to public needs and desires.
- b. Identify ways in which the Corps' concession program can be more responsive to the public's needs.

4. Briefly stated, the results of the study confirm that there is a very high level of user satisfaction with existing services and facilities. Over half of the respondents surveyed indicated that services and facilities were "good," and over one third evaluated them as "excellent." A relatively small percentage (5 percent) of the respondents rated the quality of services and facilities as "bad" or "very bad." Less than 11 percent of the respondents considered existing services and facilities inadequate to meet their needs.

5. Even though the results confirm the success of the Corps' concession program, there is always a need for improvement. Levels of user satisfaction vary between individual Corps projects. Services and facilities are not of equal magnitude or quality at all concessions. This report, therefore, provides insight to existing and thus potential sources of user dissatisfaction, perceptions of inadequate services and facilities, and a discussion of possible obstacles to improving the entire concession program. Recommended courses of action are provided for reducing existing levels of dissatisfaction and making the concession program more responsive to future user preferences.



## Research Methodology

### Study sites selection

6. The visitor perception survey was conducted at 19 individual locations which consisted of 14 Corps projects, 2 private resorts on a private lake, and 3 National Park Service concessions. The Corps projects were selected using the following general guidelines:

- a. Recreation Research and Demonstration Units\* were given top priority.
- b. An attempt was made to maintain a geographical balance in the number of projects selected.
- c. Each project was carefully screened to ensure maximum variety of type of concession opportunities, management agencies, and scale of development.
- d. There had to be a sufficient amount of visitation to justify the visitor perception survey.

7. The Corps projects selected for the study are identified in Table 1. The majority of interviews were conducted at concessions operated by private concessioners (almost 65 percent). Slightly over one fifth of all contacts were made at State-operated facilities (22 percent) and the remainder were facilities administered by county and local government.

### Visitor perception survey sample

8. In selecting a representative sample of concession users at Corps projects, it was assumed that user perceptions and attitudes might be reflective of varying interpretations of current Corps policies in the various jurisdictions (Divisions or Districts). Therefore, the decision was made that a numeric distribution of interview quotas would not be practical, but that visitor volume and access to potential respondents would provide a useful distribution of the sample. Interviewers were thus required to conduct the maximum number of interviews

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\* Recreation Research and Demonstration Units (RRDU's) consist of a representative sample of 24 Corps projects designated by the Office, Chief of Engineers, for repeated recreation research by the U. S. Army Engineer Waterways Experiment Station (WES).

Table 1  
Number of Interviews Completed at Corps Projects Surveyed

Region/Project	Season			Total
	Spring	Summer	Fall	
Region 1				
Milford	54	73	--	127
Shelbyville	23	104	23	150
Raystown	--	121	85	206
Capt. Meldahl	--	47	--	47
Mississippi River Locks 10/11	--	45	--	45
Region 2				
Barkley	--	59	67	126
Benbrook	65	99	85	249
Greers Ferry	51	92	47	190
Grenada	30	32	108	170
Ouachita	45	102	73	220
Sidney Lanier	59	120	88	267
Somerville	46	50	--	96
Region 3				
Detroit	--	51	--	51
Prado	--	48	--	48
Total	373	1043	576	1992

possible at specified properties on a seasonal basis including both week-day and weekend users, spending a predetermined number of days at each location.

9. A total of 1992 respondents were interviewed at Corps areas between April and October 1980. Over half of the interviews (over 52 percent) were conducted during the summer season (1 June through 31 August), and two thirds of all observations were made in region 2. Table 1 illustrates the number of interviews completed at each of the 14 Corps projects comprising the study sites.

Additional sources  
of information obtained

10. In addition to surveying visitors, the study was designed to obtain input from Corps personnel involved in the concession program and concession managers. An assortment of information, regulations, consultant feasibility studies, and other data pertinent to the study were obtained from Corps contacts. The study team also interviewed concessioners and Corps project personnel. In the process, a discussion guide was used to obtain certain items of information about the concessions and use of feasibility studies.

## PART II: VISITOR PERCEPTION SURVEY FINDINGS

### Quality of Services and Facilities

11. The respondents were asked how they would classify the quality of the services and facilities at the concession where they were interviewed. The overwhelming majority, approximately 94 percent, rated the quality as "excellent" or "good." A minority (5.60 percent) indicated discontent with the quality by responding that it was either "bad" or "very bad."

### Reasons for Quality Ratings

12. In order to better evaluate reasons for both satisfaction (positive) and dissatisfaction (negative) ratings, respondents were asked what made the quality of services and facilities either excellent, good, bad, or very bad. The positive comments outnumbered the negative comments by 12,653 to 1,058. Corps-wide, the personnel employed at concessions was the most important positive aspect. Almost one third (32.3 percent) of the reasons given for a positive rating fell into this category. The next most commonly given reasons for positive ratings were available goods/services (15.8 percent), facility maintenance (14.2 percent), management (9.4 percent), and convenience and accessibility of facilities (7.2 percent).

### Specific Dissatisfactions with Services and Facilities

13. While negative comments were numerically fewer, they are nonetheless significant. The most commonly expressed dissatisfaction related to concerns about poor or insufficient facility maintenance (17.2 percent). After maintenance concerns, on a ranked basis, the following order of complaints emerged: insufficient facilities (13.4 percent), personnel (10.7 percent), management (9.7 percent), prices (9.6 percent), and security (7.5 percent). It is noteworthy

that several of the categories reported appear in both the positive and negative top rankings. However, comparison of actual weighted responses for the system as a whole clearly indicates the relationship of positive and negative aspects of these response categories.

Response Category	Total Weighted Responses	
	Positive	Negative
Facility maintenance	1791	182
Personnel	4082	113
Management	1190	103

#### Adequacy of Facilities and Services to Meet Needs

14. A question was also asked concerning whether or not facilities and services were adequate to meet the respondents' needs. Here again the overwhelming majority replied that the concession facilities and services were adequate to meet their needs. Only 217 (9.23 percent) indicated there were inadequacies. While the respondents suggested that a wide variety of specific inadequacies existed, "insufficient facilities" emerged as the foremost inadequacy. The other priority inadequacies were:

Item	User Perceived Facility and Service Inadequacies, Weighted Ranking*			
	Region 1	Region 2	Region 3	Average
Insufficient facilities	1	1	**	1
Facility maintenance	†	2	2	2
More docks	2	5	**	3
Additional camping areas	5	4	**	4
Insufficient utilities	4	†	**	5
Bad rest room facilities	†	3	**	6
No hot showers	3	†	**	†
No pump-out stations	6	†	**	†
Costs	†	6	**	†
Bad lake maintenance	**	†	1	†

\* In order to evaluate the multiple responses to questions on an aggregated basis and develop a relative ranking system, responses were weighted whereby the first responses were given a weighting factor of 6, the second were weighted as 5, and so on through the sixth level responses.

\*\* No inadequacies.

† Below sixth position.

### Profile of Dissatisfied Concession Users

15. There was an interest in determining whether common characteristics existed among respondents dissatisfied with the quality of services and facilities, and users who perceived inadequacies of facilities and services. A profile of characteristics of those individuals was developed from the survey data under the hypothesis that they would exhibit distinguishable characteristics compared to the total sample of respondents. The results revealed, however, that there were no significant differences between the profile of dissatisfied users and users perceiving inadequacies compared to the distribution of characteristics among all of the survey respondents.

16. The majority of users were males between the ages of 25 and 54 years. Most were white-collar workers or retired persons. Over half reported annual incomes exceeding \$20,000. These same characteristics were also indicative of the majority of the users who expressed their satisfaction and/or perceived no inadequacies.

17. The predominate group size was two persons followed by four-person groups. Over half lived within a 50-mile radius of the concession and traveled to the site by automobile. The largest number stayed a few hours to all day. The second largest stayed 2 to 3 days. Over half had made 25 or more visits to Corps projects during the previous year. On a Corps-wide basis, over two thirds knew that the facilities and services were provided for their use by private concessions under contract to the Corps of Engineers.

18. The facilities and services reported to be most frequently used by the individuals interviewed were convenience stores, followed by marina services, e.g., gas and oil, and boat slip rentals. The recreational activities most commonly participated in were fishing, motorboating, and swimming/diving. The majority of the boats operated by concession users were reported to be small motorboats (less than 26 ft in length). The second largest group of boats was house/pontoon boats. The use of additional equipment that was brought by the respondents paralleled activity pursuits in boating, fishing, and

camping. Fishing equipment was the most commonly brought equipment, followed by boats with motors, tents, and camping equipment.

#### Additional Facilities/Services to be Provided by Concessions

19. Further insight into the specific nature and basis of user dissatisfaction was obtained from respondent suggestions for additional services and facilities at concessions where interviews were conducted. In relation to services and facilities traditionally provided at Corps concessions, restaurants, grocery/convenience stores, and swimming pools were the top three services/facilities most commonly requested. This was followed by repair facilities, hotels/motels, boat rentals, swimming beaches, tent sites, cabins, and picnic sites. Suggested additions varied considerably. Regionally, for instance, restaurants were a third priority at the region 3 projects, whereas swimming beaches were first, and tent sites were second. At the same time, region 1 users perceived a definite need for additional accommodation possibilities, namely cabins and hotels/motels, which were not considered as important by respondents from either region 2 or region 3.

20. From the standpoint of additionally desired facilities and services that are not necessarily traditionally provided at concessions, a wider variety (over 50 facilities and services) were suggested by the respondents. While many of the facilities and services overlap those traditionally provided, and others are clearly outside the present jurisdiction of concession operators, these responses do provide a rather broad overview of areas of concern or dissatisfaction to the respective users. Facilities and services considered most important by the respondents are shown in the tabulation on the next page.

21. These rankings reveal the diversity of users' concerns and need. However, all of the response categories address immediate problem areas (e.g., improvements and expansion of existing facilities and services) and provide only an inferential indication of facilities or services that might appear attractive or desirable in the future. Users interviewed at region 2 projects showed the greatest diversity of

Response Category	Weighted Ranking			Average
	Region 1	Region 2	Region 3	
Improve sanitary facilities	1	1	3	1
Improve maintenance	5	3	1	2
Additional recreation facilities	*	2	2	3
Alcohol sales	4	5	**	4
Hot showers	2	*	**	5
Insufficient utilities	3	*	**	6
Hook-ups	*	4	**	*
Additional picnic areas	**	*	4	*
Swimming beach	**	*	5	*
Improve equipment safety	6	*	**	*
Additional camping facilities	*	6	**	*
Boat ramps	*	*	6	*

\* Below sixth position.

\*\* None additionally desired.

responses, while responses received from visitors in region 3 were the most limited. Perhaps the most important finding from the inquiry about additionally desired facilities and services was the generally expressed need for more of what is already being provided. There was nearly no evidence of additional desires that could be considered drastically different or incompatible with what presently exists at many of the concessions.

Additional Facilities/Services to be Provided  
by the Corps of Engineers

22. Another approach used in the survey to learn more about the specific nature and basis of user dissatisfaction was an inquiry about facilities/services which the respondent would like to see provided by the Corps. On a weighted, ranked basis, the following areas emerged to be of greatest concern to the users:

Response Category	Weighted Ranking			Average
	Region 1	Region 2	Region 3	
Policing and maintaining lake	2	1	4	1
Improving lake markers	3	2	6	2
More development	*	3	3	3

(Continued)

\* Below sixth position.



Response Category	Weighted Ranking			Average
	Region 1	Region 2	Region 3	
Improved dock access	5	6	*	4
Addition of gas docks	1	*	**	5
Electricity	*	4	**	6
Addition of campsites	4	*	**	*
No wake zones	6	*	**	*
Law enforcement	*	5	**	*
Raise water level	*	*	1	*
Remove lake debris	*	*	2	*
Pest control	*	*	5	*

\* Below sixth position.  
 \*\* No concern.

23. Some rather significant observations can be made about these results. First, with few exceptions, users proved fairly knowledgeable about what the Corps should and could provide in terms of current policy. The users were quite specific and eloquent in expressing their concerns and needs. Also, more of the recommended Corps additions pertained to improvements in maintenance, service, and control measures, whereas non-Corps-related recommendations were more facility-specific. This demonstrates user knowledge of the differing responsibilities between the Corps and its concessions.

#### Relationships Between Project Locations and User Satisfaction Levels

24. There was some consistency among projects relative to levels of user satisfaction. Generally, projects receiving the largest proportion of satisfactory ratings on facility and service adequacy were the same projects receiving the largest proportion of satisfactory ratings on quality. In addition, larger proportions of unsatisfactory ratings on facility and service adequacy correlated with larger proportions of unsatisfactory ratings on quality.

25. There was also a correlation between types of concessioner administration (State, county, local government, private) and the relative levels of user satisfaction with the quality of service. Local government concessioners received the smallest comparative percentage

(2.79 percent) of unsatisfactory ratings,\* followed by State (4.51 percent), private (6.20 percent), and county (12.50 percent). Although the county type received the highest percentage of unsatisfactory ratings, that factor cannot be regarded as particularly significant because of the small sample size. Perhaps the most significant factor is that the largest relative amount of user dissatisfaction related to private concessioners.

26. Significant differences in levels of user satisfaction further emerged relative to project regionality. Region 3 had no instances of unsatisfactory facilities/services quality ratings, whereas region 2 had 69 (6.0 percent) and region 1 had 28 (5.4 percent). The same regional trends prevailed relative to perceived facilities/services inadequacies. Region 3 had the fewest reported inadequacies, whereas region 2 had the most.

27. Examination of the results of the user perception survey, on an individual project basis, revealed that dissatisfactions and perceived inadequacies cited previously in this report were the same that characterized the projects receiving the highest (satisfactory) and lowest (unsatisfactory) ratings. The results also indicated that, of the several facilities and services perceived as being either inadequate and/or lacking in quality, none in particular significantly characterized any of the individual projects. The negative ratings were numerically very small on a project-by-project basis, and the differences between projects were relatively insignificant. Generally, it was a combination of inadequacies and negative quality ratings that caused some projects to receive the largest proportion of negative ratings.

28. Nothing such as dates of project construction or scale of development appeared to have a plausible bearing on the relative ratings. It is possible, however, that additional underlying factors undetected from the user perception survey contributed to some of the relative ratings.

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\* Percentages pertain only to the proportion of unsatisfactory (as compared to satisfactory) quality of service responses given within each administrative category.

### PART III: OBSTACLES TO RESPONSIVENESS

29. In an attempt to gain insight into concession-related obstacles to meeting user needs and desires, concessioners and Corps personnel were interviewed. The results of interviews were not statistically tabulated or analyzed. Instead, a case study approach was followed; thus, the findings are presented in a summary, discussion format. Generally speaking, there seems to be no one particular cause or reason why facility and service inadequacies exist. There are a multitude of circumstances and factors pertaining to the entire Corps concession program that serve as limitations. Some of the problems disclosed during the interviews exist on a rather isolated and incidental basis. However, for purposes of organization and presentation, the problem areas can be divided into the following six broad categories:

- Planning.
- Feasibility studies.
- Advertising and selection.
- Concession records keeping.
- Compliance program.
- Operational and developmental flexibility.

#### Planning

30. Project master plans provide the basis for Corps- and concessioner-provided recreation facilities. It appears that the major problem relative to planning pertains to the question of what basic facilities the Corps and its concessioners should or will provide. Basic facility development is determined by standards that reportedly vary among Districts. For example, in at least one District, basic roads, parking lots, and ramps are considered the responsibility of the concession for older projects, whereas they are considered the Corps' responsibility at newer projects. Other examples of variations among Corps and concessioner responsibilities were revealed pertaining to marine sewage disposal systems and camping facilities.

31. The total extent to which these types of difficulties are hampering attempts to meet user desires for basic or additional facilities cannot be verified at this time. However, it appears that disputes concerning Corps and concessioner responsibilities are one of the key limiting factors that should be more thoroughly analyzed and addressed. The apparent lack of consistency in Corps/District policy on this matter is particularly significant as it concerns advertising concession sites to potential concessioners. Uncertainties during this phase of the Corps' concession program are even further complicated by weaknesses inherent in concession feasibility studies.

#### Feasibility Studies

32. Office, Chief of Engineers (OCE), regulations require a feasibility analysis in support of a concession program. These studies are fundamentally important to the success of any concession operation. They should provide the concessioner and the Corps with information on what types of recreational services and facilities are desired by potential users as well as which are financially and operationally feasible.

33. This study has revealed, however, that one of the apparent obstacles to concessioner responsiveness stems from inadequate feasibility analysis. Indications are that the feasibility studies are of little practical value to concessioners. For instance, when some 30 concession owners were asked about the usefulness of Federally funded concession and resort feasibility studies, without exception they stated that the financial projections and study conclusions had not been useful and had not influenced their investment decisions in any way. It is possible, nevertheless, that the studies are more useful than given credit and should have been given more attention in decisionmaking by these individuals.

34. Part of the inadequacy of feasibility studies is apparently attributable to the purpose or point of reference from which they are conducted. There seem to be two main thrusts of divergence. On one

hand, some feasibility studies are conducted primarily to assist in project master planning rather than for private investors to evaluate the potential financial success of a concession. From this standpoint, emphasis is placed on a description of the development, design, and cost of construction. Secondly, and to a lesser degree, information is provided about characteristics such as the impact of adjacent resources, pricing of services, labor and management costs, and other market-related factors.

35. All of these categories of information are important components of a comprehensive feasibility analysis. Observations made during this study indicate that the problems and inconsistencies surrounding feasibility studies stem from several probable causes. First, it was noted that no two Corps Districts operate the same way in terms of who conducts the feasibility studies or in the use of guidelines. Secondly, there is apparently some confusion and possible misunderstanding over the applicability of Division guidelines in conducting the studies. Third, there is a general lack of guidelines for consultants doing feasibility studies.

36. Given the importance of reliable and comprehensive feasibility studies toward concessioner responsiveness to users, this study suggests that there has been a general lack of information as to what the public wants and will support through patronage. The users' survey indicates that they do not desire anything very different by way of services and facilities than are already being provided at many projects. It would seem reasonable that future feasibility studies should focus on confirming local user needs and identifying the depth or degree to which local preferences vary from the norm. This would tend to offer further assistance to investment and development decisions. This study provided support to this supposition when it was learned that one of the most successful applications of feasibility studies is the determination of whether or not expansion of existing concession facilities would be financially superior to development of one or more totally new facilities at new sites.

### Advertising and Selection

37. Another problem inherent in the Corps' concession program is the difficulty of attracting qualified and capable concessioners. Part of this difficulty stems from problems in the Corps' advertising and selection process and part relates to the characteristics of the type of owners and managers typically attracted.

38. In most cases, Districts concentrate on the planning phase with advertising and selection being an ad hoc attempt to lease the site. Advertising materials generally have several significant weaknesses. First, there is a lack of commitment of Corps personnel to adequately develop a site promotion program. Second, in most cases, little attempt is made to coordinate the concessions of a site with other public and private recreation developments in the surrounding market area. Third, a listing of potential bidders is usually developed on an ad hoc basis, with little attempt to narrow the field to highly qualified entrepreneurs. Finally, little attempt is generally made to attract major leisure development corporations with long-term experience in the field.

39. Compounded by inadequacies in the advertising process are the circumstances surrounding the backgrounds and motives of individuals typically attracted to the Corps' concession program. Studies have shown that concession managers at Corps developments tend to be small businessmen who have come into the concession business because of pre-retirement plans and other noneconomic motivations (Coastal Zone Resources Corporation 1973, 1975; Dreese et al. 1977). These owners usually derive their main source of income from company retirement benefits, and a concession provides them supplementary income. As a result, the concessions are underfinanced and do not generate the financial capability to respond to many of the Corps' requirements, in terms of compliance as well as initial and long-range development needs.

40. The problems of user responsiveness that relate to concessioner backgrounds and the advertising and selection process would seem to be one obstacle that is correctable. The process of advertising and

selection needs improvement. More reliable criteria for concessioner selection are needed that stress the importance of business and financial management astuteness.

#### Concession Record Keeping

41. Of all the factors that limit user responsiveness, the one having the greatest effect probably relates to concession financial matters. Some factors such as high interest rates, inflation, and scarceness of investment capital are reflective of the Nation's financial difficulties. Others, however, pertain to managerial weaknesses and ineffectiveness. A distinct problem area identified in this respect during the study was inadequate financial records keeping on the part of concessioners. In general, there is a lack of frequency and consistency in financial records keeping at concessions. There is also apparent irregularity in the reporting of financial data to Corps District Offices, which is related to variations in their reporting requirements.

42. From what was revealed in the study, the Corps makes little use of financial reports except in billing concessions for lease fees. There is apparently no obligation or else desire on the part of the Corps to provide financial guidance and advice to concessioners on ways of improving their financial management procedures.

43. The problem of inadequate record keeping quite probably has a direct bearing on responsiveness difficulties. It was learned, for example, that the absence of guidelines for record keeping results in categories of costs and revenues that vary widely. So while revenues may be available for specific business activities, the costs of operating these concession activities are virtually unknown. Therefore, it is impossible for concessioners to determine any type of optimal size, mix of services and facilities, etc., with the present level of information.

44. Because of inadequate record keeping it would be particularly difficult to determine return on investment or the amount the

concession owner is taking from the business. All of the District representatives with whom this situation was discussed agreed that it is impossible to assess this from existing financial data.

45. To conduct any type of financial analysis, one must have a knowledge of the number of facilities (overnight accommodations, wet slips, dry storage areas, etc.) as well as the services and other activities available for use. This type of facility information would have to be related to costs and revenues in order to establish optimums. Nashville appeared to be the only District of those contacted where sufficient information was readily available. This is facilitated by a District form (ORN 252) that keeps an up-to-date record of facility and services information. Although such information could be developed by the other Districts, most indicated it might require some research effort, including reviewing master plans and other construction documents and contacting the project manager or concessioners.

46. It seems rather obvious from the findings of this study that concessioners need to improve their record keeping procedures. It is further suggested that profit and loss statements and balance sheets are minimally needed forms of financial record keeping. Appropriate financial performance data interpreted through the use of ratios and other indicators are additionally needed for in-depth analysis.

47. Fundamental questions require answering such as the extent to which the Corps should monitor, assist, and advise concessions relative to financial management. It is suggested that there is an obligation in this regard because it has a direct bearing on the concessioners' ability to respond to user needs and desires and thus reflects on the successfulness of the Corps' entire concession program.

#### Compliance Program

48. Another significant limitation to concessioner responsiveness that surfaced during this study concerned problems inherent in the compliance program. The overall weakness in the program stems perhaps from problems of coordination between the Corps' Real Estate Directorate and



the Operations Office. After a lease is negotiated, periodic compliance inspections may become the responsibility of the project manager and his staff. The OCE regulations specify that Operations will assist Real Estate in performance of compliance inspections. In most Districts this is the case. One Division regulation specifies that a percentage of the periodic inspections will be under the supervision of the Real Estate element and a handbook will be prepared for use by the staff. However, in many cases, there may be a problem of coordination, and what is expected of Operations staff is not clear.

49. Problems involving coordination and clarity are likely based on disagreement as to the purpose of the compliance program. It was found, for example, that Real Estate personnel tended to view the compliance program as simply a check on whether the concessioner is satisfying the conditions of the lease. Operations personnel, on the other hand, tended to view the compliance program as a tool for correcting deficiencies in concessioner operation and maintenance activities. As a result, if a project manager perceives that a particular concession is unsightly and the owner is failing to maintain the property, the project managers may attempt to use the compliance program to assist him in dealing with the problem. This may involve frequent inspection reports indicating the problem. These reports are submitted to the District Real Estate Office, with copies to the District Operations Office. Since Real Estate would view this as an operational problem and not a violation of lease conditions, it would likely not act. The project staff and Operations at the District level would wait for Real Estate to act, and thus nothing would be done.

50. It is evident from the recent development of local handbooks and regulations prepared by Operations that they are taking the compliance program seriously. However, the program is still under the direct responsibility of Real Estate. These circumstances point to the need for still further improvements in the coordination between elements with compliance responsibilities as well as between Corps regulations and handbook contents prepared for use by the Operations staff.

51. Part of the difficulties being experienced with compliance

involve lease conditions that do not provide enough guidance on specific requirements mandated by Operations. This has created some concern on the part of concession personnel over legitimate violations of lease conditions versus project manager preference for maintenance and appearance of sites. Coinciding with this is the apparent restricted ability of Corps personnel to obtain corrective action on noted deficiencies.

52. The problems inherent in the compliance program are significant enough that the following aspects deserve attention:

- a. Price regulation. There is misunderstanding by most concessioners about the particulars of price regulation. There is concern about perceived inconsistencies, rigidity, and confusion on interpretation over such matters as entrance fees. The Corps is not consistent on regulations or enforcement.
- b. Compliance corrections. There seems to be a lack of differentiation between critical compliance problems and those of a less serious nature. There is a problem with compliance ratings in that they may leave too much to subjective assessments. Project staff want published guidelines that can be justified with concession owners.
- c. Safety, sanitation, and environmental standards. Numerous infractions were observed pertaining to electrical wiring deficiencies, sanitary problems, and safety problems by marginal operators.
- d. Enforcement. The only statutory enforcement available to the Corps is termination or threat of termination of the concession agreement; there is no intermediate level of discipline. If Corps personnel were able to issue citations or assess fines, enforcement procedures might be improved.

#### Operational and Developmental Flexibility

53. The sixth broad category of problems in concessioner responsiveness to user needs and desires pertains to operational and developmental flexibility. Once the concession lease has been negotiated, the private concessioner is expected to fulfill his obligations in terms of facilities and services prescribed in the lease, sometimes with little consideration of current economic conditions, trends in recreation, and other important factors. The economic conditions of today,

along with changes in user preferences, suggest how difficult it must be for concessioners to comply with lease requirements based on feasibility studies and plans developed years ago. Concessioners need the flexibility to respond rapidly to changing market conditions.

54. The Corps' concession program generally takes this factor into account by allowing concessioners to submit interim services and facilities development proposals. However, the Districts apparently follow a conservative approach specifying in detail the kinds of activities, services, and facilities required at the concession site. The conservative approach appears to be causing problems in concession development at some projects. There was a general hesitancy at some projects to allow a concessioner the authority to offer additional services and facilities when a market demand is identified. This may be a contributing factor to some needs going unmet at concessions.

#### Conclusions

55. Part III of this report has focused on general obstacles to concession responsiveness in meeting user needs and desires which were identified through the user survey. There are no concise explanations for findings such as insufficient facilities at some localities and poor sanitation or poor general maintenance at others. This part of the report has instead presented the most significant circumstances and factors, revealed through interviews with concessioners and Corps personnel, which appear to be the primary contributors to a relatively small amount of unmet needs and dissatisfaction. Some of the obstacles that may be imbedded in Corps policy and historical precedent have not been discussed in depth. The Midwest Research Institute report from which this material was obtained goes into more detail on the underlying factors.

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